

CCH Finance Committee Meeting May 2019

Ekerete Akpan, Chief Financial Officer

May 24, 2019



**COOK COUNTY
HEALTH**

Agenda

1. System-wide Financials & Stats
 - a. Financials
 - b. Observations
 - c. Financial / Revenue Cycle metrics
2. CCH Provider Service Financials
3. CountyCare Financials & Stats
4. Correctional Health services Financials & Stats
5. Department of Public Health Financials & Stats
6. Administration Financials
7. System-wide volumes/stats





Systems-wide Financials, Observations, and Revenue Cycle Metrics



COOK COUNTY
HEALTH

Income Statement for the Four Months ending March 2019 (in thousands)

CCH Systemwide	Year-To-Date		Variance	
	Actual	Budget	\$	%
<u>Operating Revenue</u>				
Net Patient Service Revenue	199,420	247,732	(48,313)	-20%
County Care Access Payments	139,708	-	139,708	n/a
CountyCare Capitation Revenue	443,394	607,250	(163,856)	-27%
Cook County Access Payments	13,268	13,268	-	0%
Other Revenue	1,266	4,333	(3,067)	-71%
Total Operating Rev	797,055	872,583	(75,528)	-9%
<u>Operating Expenses</u>				
Salaries & Benefits	215,804	237,613	21,809	9%
Overtime	15,901	11,934	(3,967)	-33%
Contracted Labor	14,851	11,373	(3,478)	-31%
Pension*	36,643	109,121	72,478	66%
Supplies & Materials	11,927	20,717	8,791	42%
Pharmaceutical Supplies	27,061	26,943	(118)	0%
Purch. Svs., Rental, Oth.	71,957	102,941	30,984	30%
External Claims Expense	350,321	472,190	121,869	26%
County Care Access Expense	139,708	-	(139,708)	n/a
Insurance Expense	8,894	9,812	918	9%
Depreciation	10,795	10,795	-	0%
Utilities	6,962	3,295	(3,667)	-111%
Total Operating Exp	910,823	1,016,734	105,911	10%
Operating Margin	(113,768)	(144,151)	30,383	21%
Operating Margin %	-14%	-17%	2%	14%
Non Operating Revenue	66,039	86,482	(20,442)	-24%
Net Income/(Loss)	(47,729)	(57,669)	9,940	17%



Observations

- Primary Care visits are up by 4% versus FY18, and down 1% versus FY19 target
- Specialty Care visits are flat versus FY18, and down 4% versus FY19 target
- Surgical Cases are down by 3% versus FY18, and down 9% versus FY19 target
- Inpatient Discharges are down 11% versus FY18
- LOS is up 2% versus FY18, and up 2% versus FY19 target
- Emergency Department visits are down 2% versus FY18
- Deliveries are down by 3% versus FY18, and down 12% versus FY19 target
- Case Mix Index is on average 5% higher than FY2018
- System-wide uninsured numbers, captured by visit, held 45% (Provident 36%, ACHN 45%, Stroger 48%)

Financial Metrics

Metric	As of end Mar- 18/YTD	As of end Mar- 19/YTD	Target
Days Cash On Hand**	-1	17	60
Operating Margin***	-4.8%	-9.3%	-5.4%
Overtime as Percentage of Gross Salary	7.8%	7.9%	5.0%*
Average Age of Plant (Years)	23.3	23.2	10.7

*Days Cash on Hand - CCH target 60 days, Moody's 198 days . Overtime as percentage of Gross Salary – CCH target 5% , Moody's 2%

** Days Cash in Hand – Point in time i.e. as of end October for each year

***Excludes Pension Expense-Target based on compare group consisting of 'like' health systems : Alameda Health System, Nebraska Medical Center, Parkland Health & Hospital System, and UI Health



Revenue Cycle Metrics

Metric	Average FYTD 2019	Feb-19	Mar-19	Apr-19	Benchmark/ Target
Average Days in Accounts Receivable <i>(lower is better)</i>	98	105	96	92	45.85 – 54.9*
Discharged Not Finally Billed Days <i>(lower is better)</i>	10	11	10.6	10	7.0
Claims Initial Denials Percentage <i>(lower is better)</i>	22%	20%	23%	21%	20%

Definitions:

Average Days in Accounts Receivable: Total accounts receivable over average daily revenue

Discharged Not Finally Billed Days: Total charges of discharge not finally billed over average daily revenue

Claims Initial Denials Percentage: Percentage of claims denied initially compared to total claims submitted.

* Source HFMA Key Hospital Statistics and Ratio Margins – Posted 2014

Provider of Care Services Financial and Operational Statistics



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Income Statement for the Four Months ending March 2019 (in thousands)

CCH Providers	Year-To-Date		Variance	
	Actual	Budget	\$	%
<u>Operating Revenue</u>				
Net Patient Service Revenue	199,420	247,732	(48,313)	-20%
Cook County Access Payments	13,268	13,268	-	0%
Other Revenue	899	3,727	(2,828)	n/a
Total Operating Rev	213,586	264,727	(51,141)	-19%
<u>Operating Expenses</u>				
Salaries & Benefits	180,897	187,610	6,713	4%
Overtime	13,696	10,171	(3,525)	-35%
Contracted Labor	13,714	7,628	(6,086)	-80%
Pension*	30,175	91,449	61,274	67%
Supplies & Materials	11,682	19,289	7,608	39%
Pharmaceutical Supplies	24,558	23,608	(950)	-4%
Purch. Svs., Rental, Oth.	45,471	64,285	18,814	29%
Insurance Expense	8,658	-	(8,658)	n/a
Depreciation	7,169	7,169	-	0%
Utilities	6,962	3,243	(3,719)	-115%
Total Operating Exp	342,983	414,454	71,471	17%
Operating Margin	(129,397)	(149,727)	20,330	14%
Operating Margin %	-61%	-57%	-4%	-7%
Non Operating Revenue	30,709	48,375	(17,666)	-37%
Net Income/(Loss)	(98,687)	(101,352)	2,666	3%

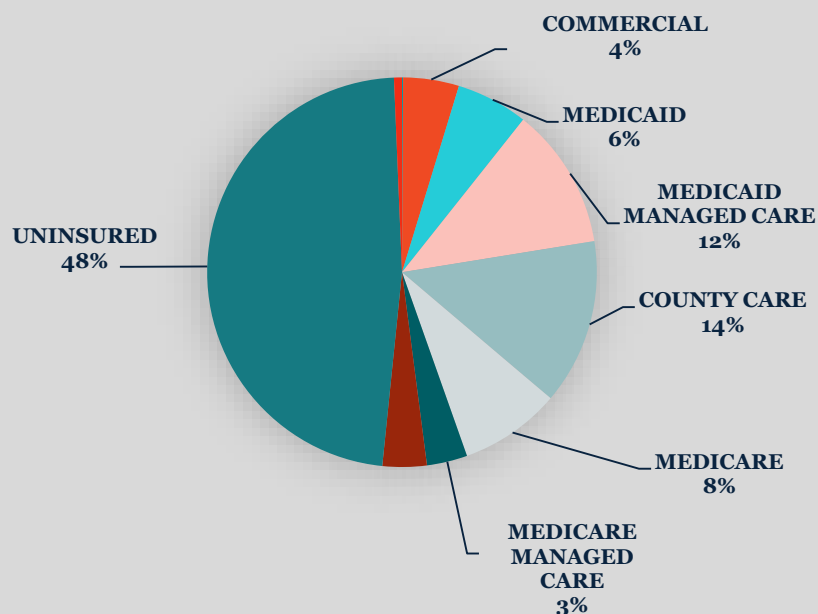


Revenue Statement for the Four Months ending March 2019 (in thousands)

CCHHS Providers	Year-To-Date <i>Actual</i>
Gross Revenue	552,131
<u>Adjustments</u>	
Contractual Adjustments	(157,777)
Charity Adjustments	(163,259)
Total Adjustment	(321,036)
Gross NPSR	231,094
Bad Debt Allowance	(128,021)
Adjusted NPSR	103,074
DSH	52,233
BIPA	44,113
Adjusted NPSR plus DSH and BIPA	199,420
Adjusted NPSR plus DSH and BIPA as a % of Gross Revenue	36%



Stroger Operations Overview for the Four Months ending March 2019



Comments:

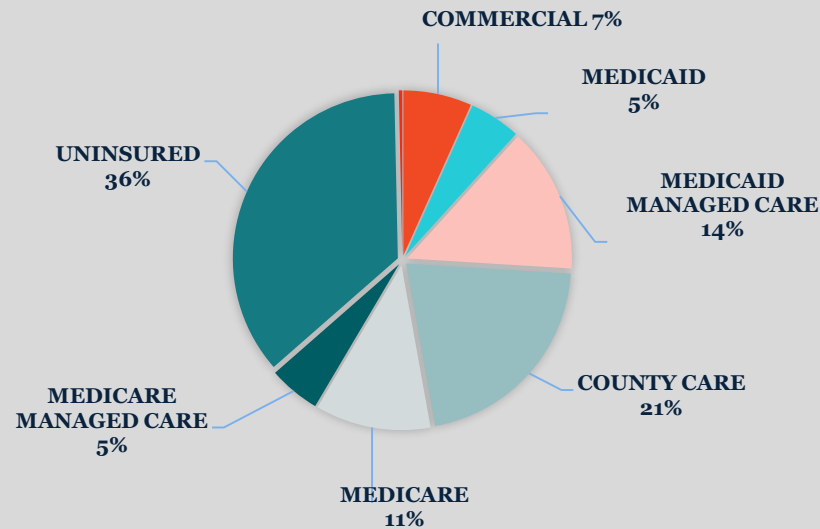
- Targeted efforts to improve surgical volumes is ongoing focused on throughput and expedited equipment purchases
- Focused efforts on reviewing observation days

Inpatient/Observation-FYTD			
Measure	FY2019	FYTD Target	FY2018
Inpatient Discharges	5,462	5,864	6,083
- Long Stay Admissions	1,174	1,188	1,186
- One Day Admissions	320	332	369
Inpatient Days	28,950	28,784	29,742
Observation Discharges	3,474	3,428	3,188
Observation Days (Observation Discharge)	6,883	6,264	6,291
Avg LOS (Inpatient Discharge)	5.9	---	5.7
Average Daily Census (Inpatient & Observation)	296.1	294.5	297.8
Surgical Cases	3,371	4,324	3,983
Procedures (CPTs)	---	---	---
Radiology Tests	14,213	---	14,005
Deliveries	324	364	333

Outpatient Clinic- FYTD			
Measure	FY2019	FYTD Target	FY2018
Total Registrations*	176,333	187,344	175,847
Total Provider Visits*	106,273	114,476	107,531
Specialty/Diagnostic/Procedure Provider Visits			
Austin (AH)	1,622	1,892	1,882
Core Specialty	3,111	3,488	3,044
Hospital - Based	5,978	6,876	6,727
Specialty Care / Fantus / Professional Bldg	73,905	80,256	75,049
Total	84,616	92,512	86,702
Primary Care Provider Visits			
Core	4,156	4,608	4,293
Core Peds	143	196	170
GMC	15,969	15,660	15,047
Peds	1,389	1,500	1,319
Total	21,657	21,964	20,829

Emergency- FYTD			
Measure	FY2019	FYTD Target	FY2018
Emergency Visits (includes LWBS & Trauma)	39,222	40,580	39,817
Adult Emergency Visits	32,566	33,420	32,764
Peds Emergency Visits	2,348	2,288	2,542
Trauma Visits	2,132	2,237	2,484
LWBS	2,176	1,600	2,027
Radiology Tests	31,705	---	33,426

Provident Operations Overview for the Four Months ending March 2019



Comments:

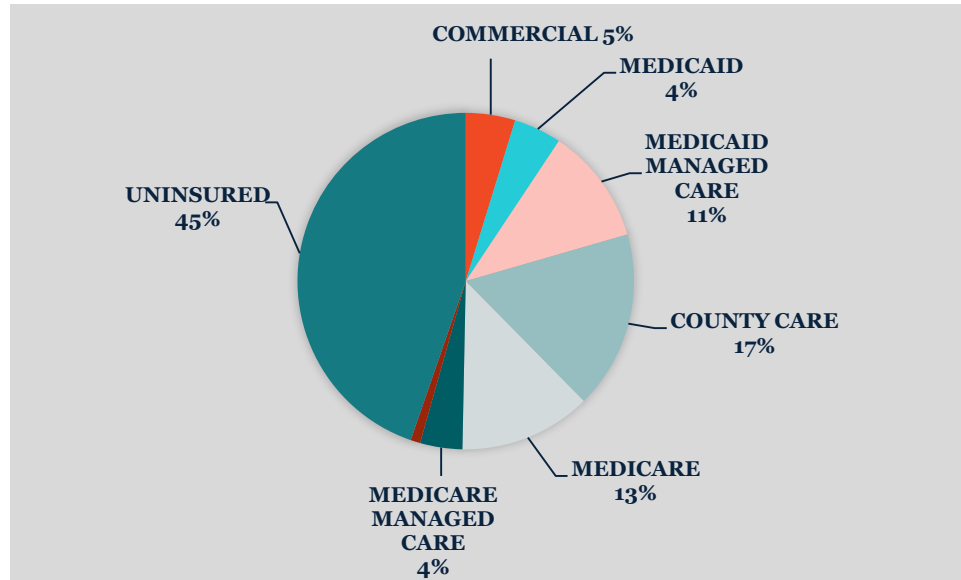
- Leadership reviewing left without being seen in Emergency Dept.
- Sustained growth in surgical cases and specialty services
- Expect more volume growth as we procure equipment, fully staff new clinical capacity and open the ICU

Inpatient/Observation-FYTD			
Measure	FY2019	FYTD Target	FY2018
Inpatient Discharges	185	196	230
- Long Stay Admissions	28	40	47
- One Day Admissions	18	12	15
Inpatient Days	869	1,000	1,114
Observation Discharges	218	208	216
Observation Days (Observation Discharge)	424	412	434
Avg LOS (Inpatient Discharge)	4.5	---	5.2
Average Daily Census (Inpatient & Observation)	10.7	12.2	12.8
Surgical Cases	925	1,212	830
Procedures (CPTs)	---	---	---
Radiology Tests	107	---	104

Emergency- FYTD			
Measure	FY2019	FYTD Target	FY2018
Emergency Visits (including LWBS)	9,739	10,944	10,025
Adult Emergency Visits	8,596	9,620	8,804
Peds Emergency Visits	484	592	616
LWBS	659	436	605
Radiology Tests	5,232	---	5,597

Outpatient Clinic- FYTD			
Measure	FY2019	FYTD Target	FY2018
Total Registrations	28,629	29,792	26,202
Amb of Prov - Specialty/Diagnostic/Procedure			
Provider Visits	515	811	888
Sengstacke - Specialty/Diagnostic/Procedure			
Provider Visits	10,907	11,138	9,350
Sengstacke Primary	5,978	5,580	5,270
Sengstacke Primary Peds	310	252	80
Radiology Tests	3,241	---	3,255

ACHN Operations Overview for the Four Months ending March 2019



Comments :

- Positive growth trends in Primary care and Specialty care provider visits (3% growth) vs FY 2018 actuals
- Leadership continues to focus on initiatives including patient access and increasing specialty care availability at clinics

CCHC Primary- FYTD			
Measure	FY2019	FYTD Target	FY2018
Arlington Heights (AR)/Vista (VH)	3,772	3,924	3,552
Austin (AH)	3,795	4,528	4,298
Child Advocacy	165	188	206
Cicero (CH)	3,449	3,828	3,663
Cottage Grove (CG)	3,138	3,336	2,865
Englewood (EH)	4,551	4,212	3,783
Logan Square (LS)	4,670	4,812	4,467
Morton East (ME)	309	312	321
Near South (NS)	4,671	5,052	4,665
OFHC (OF)	4,683	5,204	4,909
Prieto (PH)	5,735	5,852	5,589
Robbins (RH)	3,385	3,476	3,247
Woodlawn (WH)	3,527	3,552	2,899
Total Primary Care Provider Visits	45,850	48,276	44,464

CCHC Specialty- FYTD			
Measure	FY2019	FYTD Target	FY2018
Austin (AH)	133	156	161
Cicero (CH)	266	344	351
Logan Square (LS)	270	324	280
Morton East (ME)	45	36	44
OFHC (OF)	9,078	10,176	9,200
Oral Health (OH)	1,617	1,764	1,723
Siegle Health Center	154	---	-
Total Specialty Care Provider Visits	11,563	12,800	11,759

CCHC Total- FYTD			
Measure	FY2019	FYTD Target	FY2018
Total Registrations*	81,750	87,692	79,511
Total Provider Visits*	55,810	59,340	54,516

*excludes Stroger Specialty Care, CORE, Stroger-Hospital Based Clinics, Sengstacke GMC & Psych, Austin Behavioral Health, and Oral Health assuming all registrations are provider visits

CountyCare Health Plan Financial and Operational Statistics



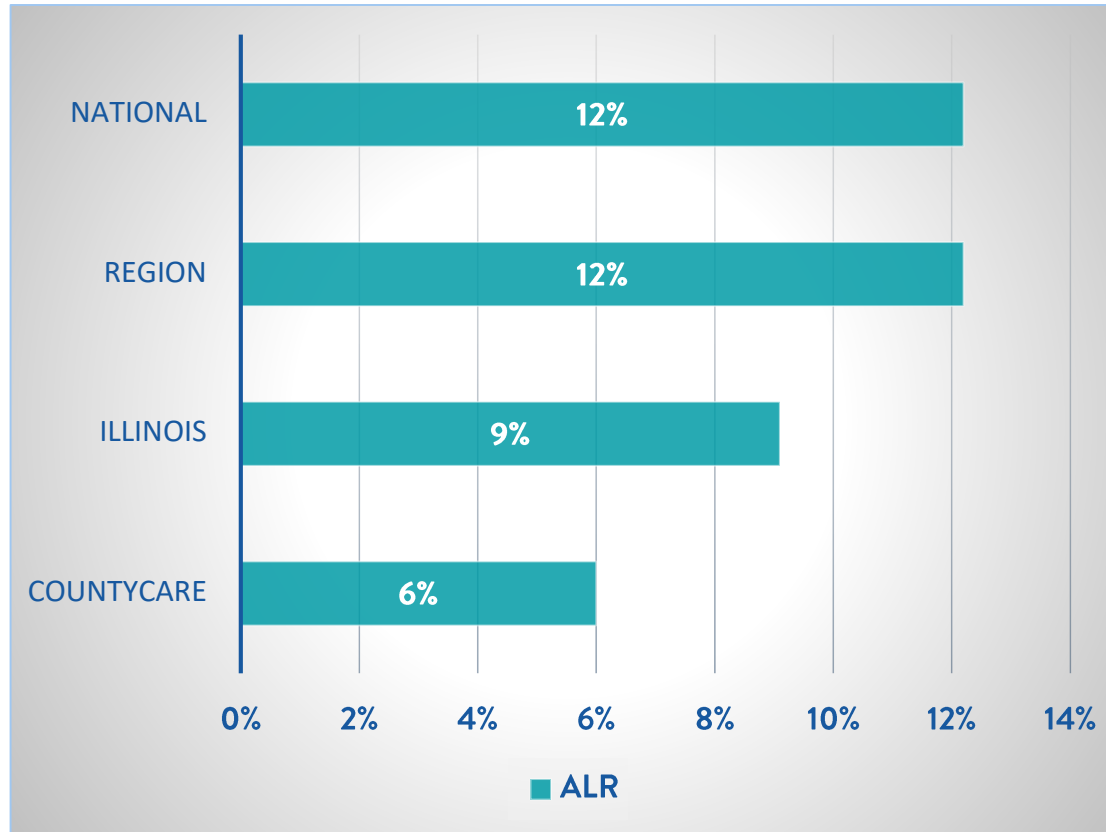
COOK COUNTY
HEALTH

Income Statement for the Four Months ending March 2019 (in thousands)

	Actual	Year to Date Budget	Variance
Member Months	1,292	1,380	(88)
Total Revenue	734,448	620,549	113,899
Expense			
Total Admin Expenses	24,956	27,770	2,814
CCH Clinical Expenses			
Claims	54,699	80,655	25,956
Pharmacy Claims	5,215	12,232	7,017
Care Management	4,075	-	(4,075)
Total CCH Clinical Expenses	63,989	92,887	28,898
External Clinical Expenses			
Claims	346,445	316,924	(29,521)
Hospital Supplemental Access Pmt	139,708	-	(139,708)
Pharmacy Claims	103,935	108,439	4,504
Care Management	17,296	26,258	8,962
Care Management Analytics	2,615	3,800	1,185
Dental Claims	10,831	13,889	3,058
Transportation Claims	5,949	12,956	7,007
Optical Claims	1,868	1,607	(261)
Member Incentives	1,088	1,220	132
Total External Clinical Expenses	629,736	485,094	(144,643)
Total Clinical Expenses	693,725	577,981	(115,744)
Total Expenses	718,682	605,751	(112,930)
Net Income Before Rate Adjustment	15,766	14,798	969
Medical Loss Ratio (MLR)	94%	93%	-1%
Net Income Before Prior Period Adj/IGT	15,766	14,798	969
IGT	11,638	13,299	(1,661)
Amortization	2,319	-	2,319
Net Income After IGT And Amortization	1,809	1,498	310
Total CCH Impact	79,755	107,685	(27,930)



CountyCare Operations Stats for the Four Months ending March 2019



Comments:

- CountyCare Medical Loss Ratio is better than National and Regional, sustained at 94% YTD.
- Total membership as of April 7 2019 was 316, 973
- Leadership focused on several initiatives to achieve cost efficiency and protect market share
- As part of HFS/Illinois Association of Medicaid Health Plans(IAMHP) initiative, CountyCare is paired with a Safety net hospital to gain better efficiencies and to share technical knowledge aimed at reducing denials

Milliman Research Report-Medicaid Risk-Based Managed Care: Analysis of Financial results for 2016 . Region consists of Illinois, Indiana, Michigan, Minnesota, Ohio, and Wisconsin
MLR – Medical Loss Ratio , %tage of premium spent on health care quality . ALR Administrative loss Ratio - %tage spent on overhead expenses, such as marketing, profits, salaries, administrative costs etc.

Correctional Health Services Financial and Operational Statistics



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HEALTH

Income Statement for the Four Months ending March 2019 (in thousands)

Correctional Health Services	Year-To-Date		Variance	
	Actual	Budget	\$	%
Total Operating Rev	0	-	0	0%
<u>Operating Expenses</u>				
Salaries & Benefits	18,706	22,710	4,004	18%
Overtime	1,995	1,611	(384)	-24%
Contracted Labor	28	123	95	77%
Pension*	3,067	7,998	4,932	62%
Supplies & Materials	214	245	31	13%
Pharmaceutical Supplies	2,503	3,333	831	25%
Purch. Svs., Rental, Oth.	2,604	3,667	1,063	29%
Insurance Expense	124	-	(124)	n/a
Depreciation	35	35	-	0%
Total Operating Exp	29,274	39,722	10,448	26%
Operating Margin	(29,274)	(39,722)	10,449	26%
Operating Margin %	na	na	na	na
Non Operating Revenue	31,929	33,046	(1,118)	-3%
Net Income/(Loss)	2,655	(6,676)	9,331	140%

Unaudited Financial Statement

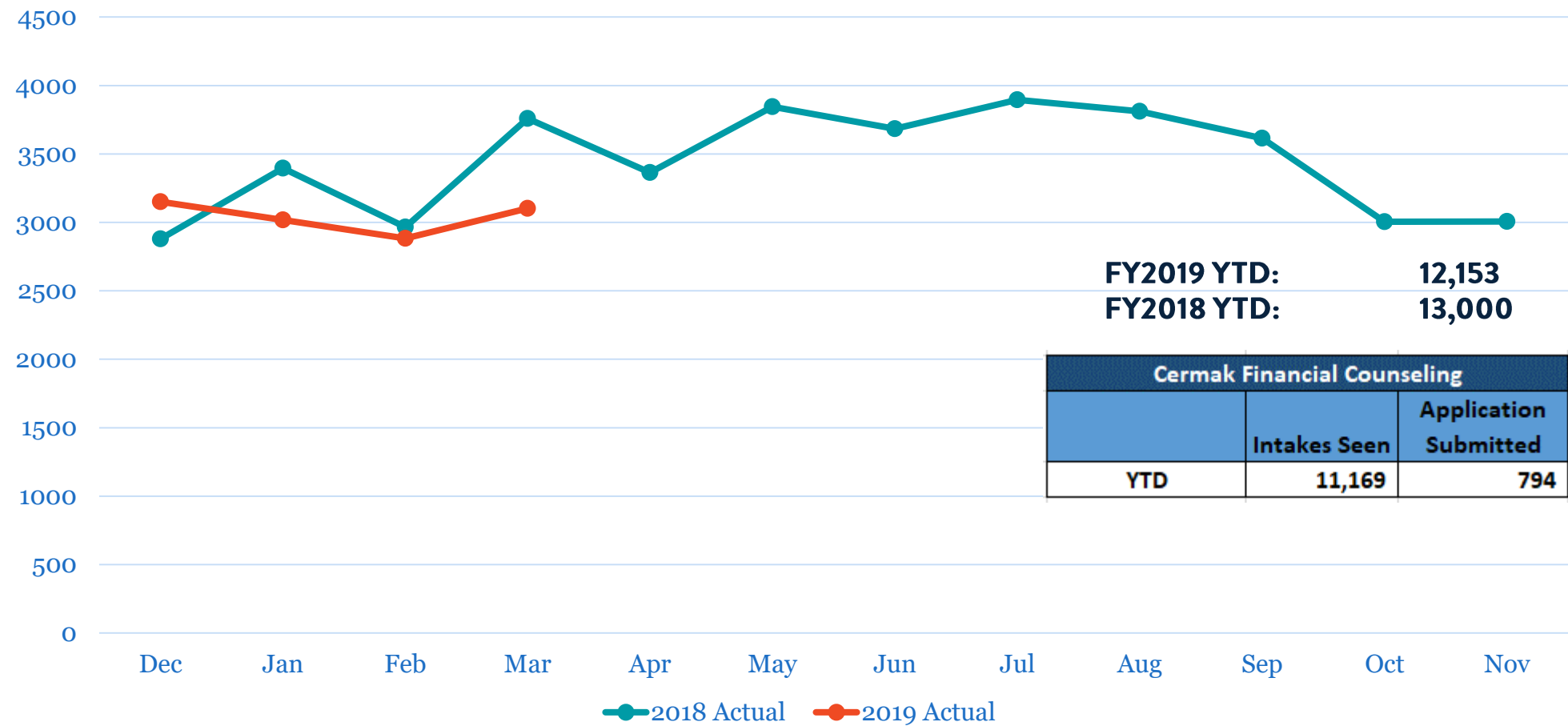


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*Year to Date (4 months) Pension Liability per GASB
Pension includes Other Post Employment Benefits (OPEB) Expense

Correctional Health Operation Overview for the Four Months ending March 2019

Total Intakes



Comments:

- 92% of intakes are screened by financial counselling to ensure continuity of coverage

Cook County Dept. of Public Health Financial and Operational Statistics



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Income Statement for the Four Months ending March 2019 (in thousands)

COOK COUNTY PUBLIC HEALTH	Year-To-Date		Variance	
	Actual	Budget	\$	%
Total Operating Rev	367	607	(240)	-40%
<u>Operating Expenses</u>				
Salaries & Benefits	2,896	3,446	551	16%
Overtime	5	2	(3)	-117%
Contracted Labor	1	45	44	97%
Pension*	467	1,112	645	58%
Supplies & Materials	5	39	33	86%
Purch. Svs., Rental, Oth.	114	772.67	659	85%
Insurance Expense	21	-	(21)	n/a
Depreciation	1	1	-	0%
Utilities	-	33	33	100%
Total Operating Exp	3,510	5,452	1,942	36%
Operating Margin	(3,143)	(4,845)	1,702	35%
Operating Margin %	na	na	na	na
Non Operating Revenue	467	582	(115)	-20%
Net Income/(Loss)	(2,676)	(4,263)	1,587	37%

Unaudited Financial Statement



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*Year to Date (4 months) Pension Liability per GASB
Pension includes Other Post Employment Benefits (OPEB) Expense

CCDPH Operation Overview for the Four Months ending March 2019

	Program Title	Metric	YTD Thru Mar 19	FY19 Target
Public Health	Administration	Percent of high-risk infant APORS (Adverse Pregnancy Outcome Reporting System) referrals received that are contacted for follow-up by the Public Health Nurse within 14 calendar days of referral	84%	85%
		Cost per county residents served	\$5.71	\$5.71
	Environmental Health	Cost per Inspection Efficiency	\$208.56	\$208.56
		Time from receipt of Chlamydia or gonorrhea report to field (days)	5	5
	Communicable Diseases	Percent of food establishments with isolated illness complaints within a contracted community or unincorporated Suburban Cook County that are inspected within 2 business days of receipt of complaint	100%	100%
	Program Title	Metric	YTD Thru Feb 19	FY19 Target
Lead Poisoning Prevention	Lead Poisoning Prevention	Percentage of cases with elevated blood levels visited within the timeline provided in protocols	90%	90%
		Percentage of cases with elevated blood lead levels who receive joint nursing visit and environmental risk assessment visit	95%	95%
TB Program	Program Title	Metric	YTD Thru Feb 19	FY19 Target
	TB Program	Number of completed Direct Observation Treatments (DOT)	95%	91%



CCH Administration Financial Statements



Income Statement for the Four Months ending March 2019 (in thousands)

<u>Administration</u>	Year-To-Date		Variance	
	<i>Actual</i>	<i>Budget</i>	\$	%
<u>Operating Expenses</u>				
Salaries & Benefits	11,905	12,702	797	6%
Overtime	94	57	(37)	-66%
Contracted Labor	1,108	3,577	2,470	69%
Pension*	1,942	6,190	4,248	69%
Supplies & Materials	26	208	182	87%
Purch. Svs., Rental, Oth.	324	1,058	735	69%
Insurance Expense	91	-	(91)	n/a
Depreciation	1,271	1,271	-	0%
Total Operating Exp	16,760	25,064	8,304	33%
Operating Margin	(16,760)	(25,064)	8,304	33%
Non Operating Revenue	1,942	3,238	1,296	40%
Net Income/(Loss)	(14,818)	(21,826)	7,007	32%

Unaudited Financial Statement



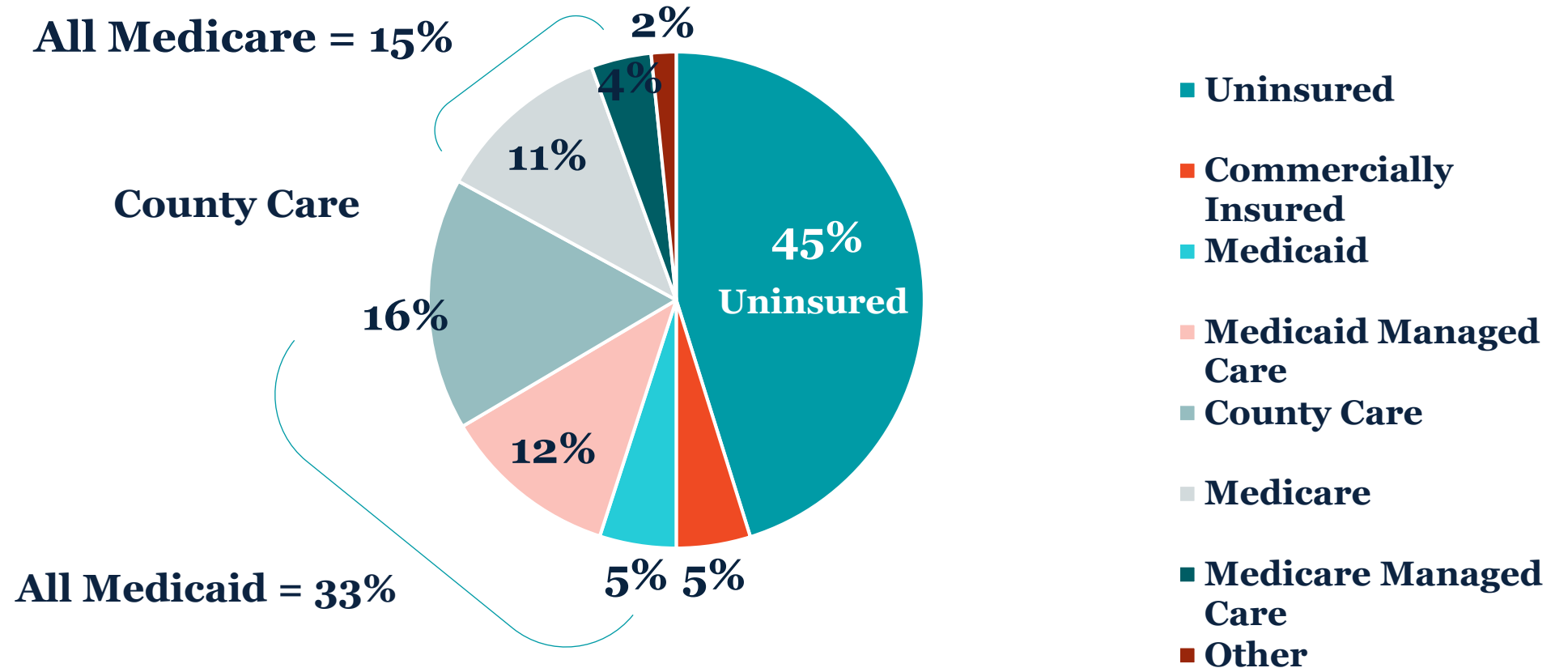
Appendix

System-wide Volumes / Stats

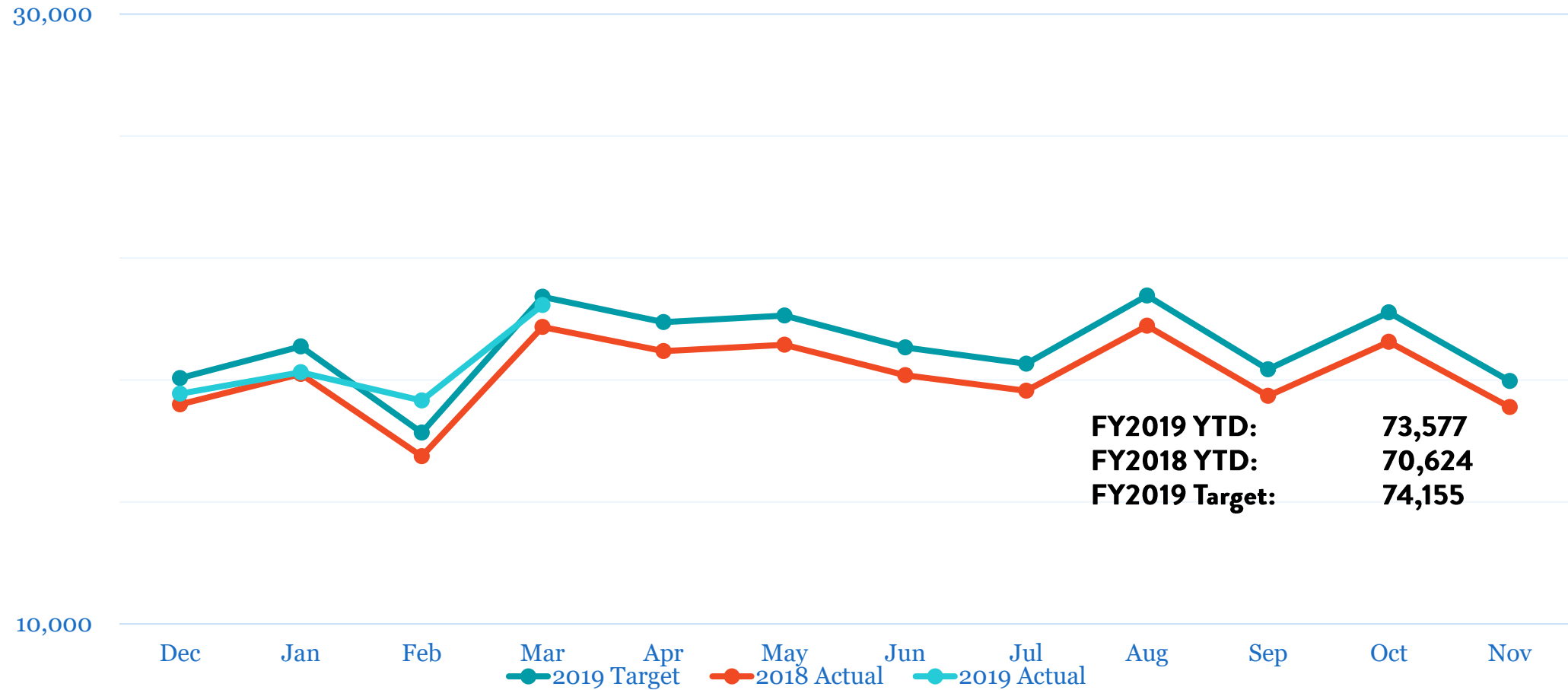


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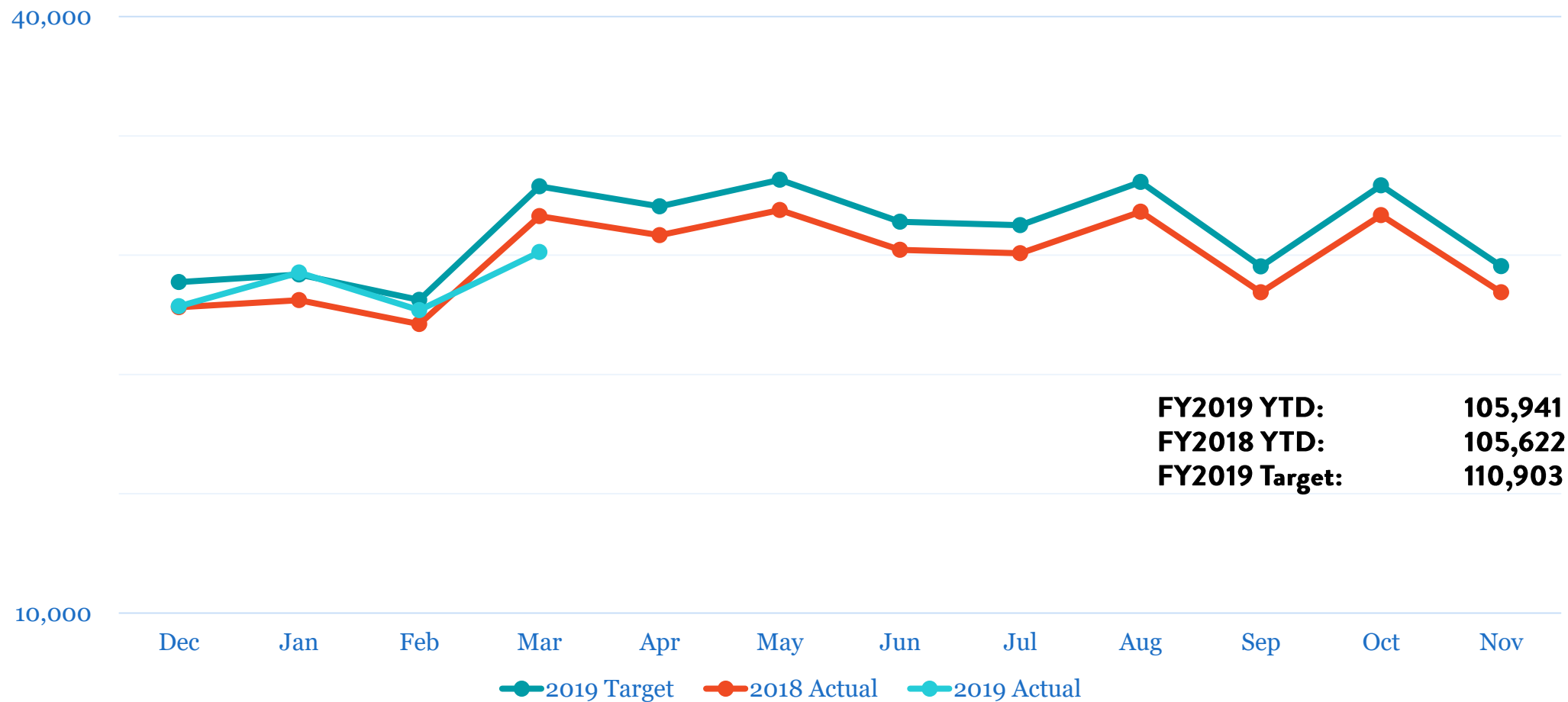
System Payor Mix By Visit



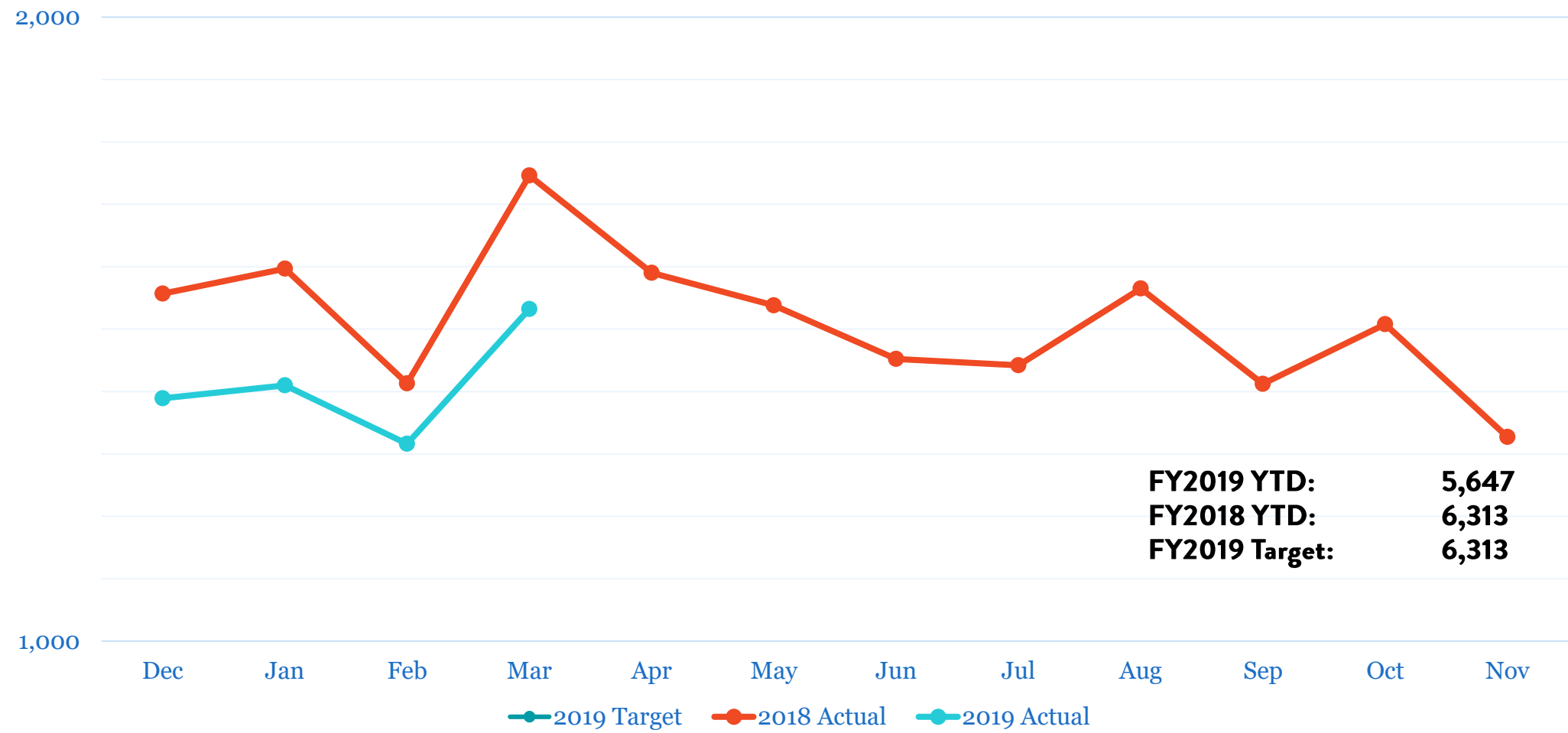
Primary Care Provider Visits



Specialty Care Provider Visits

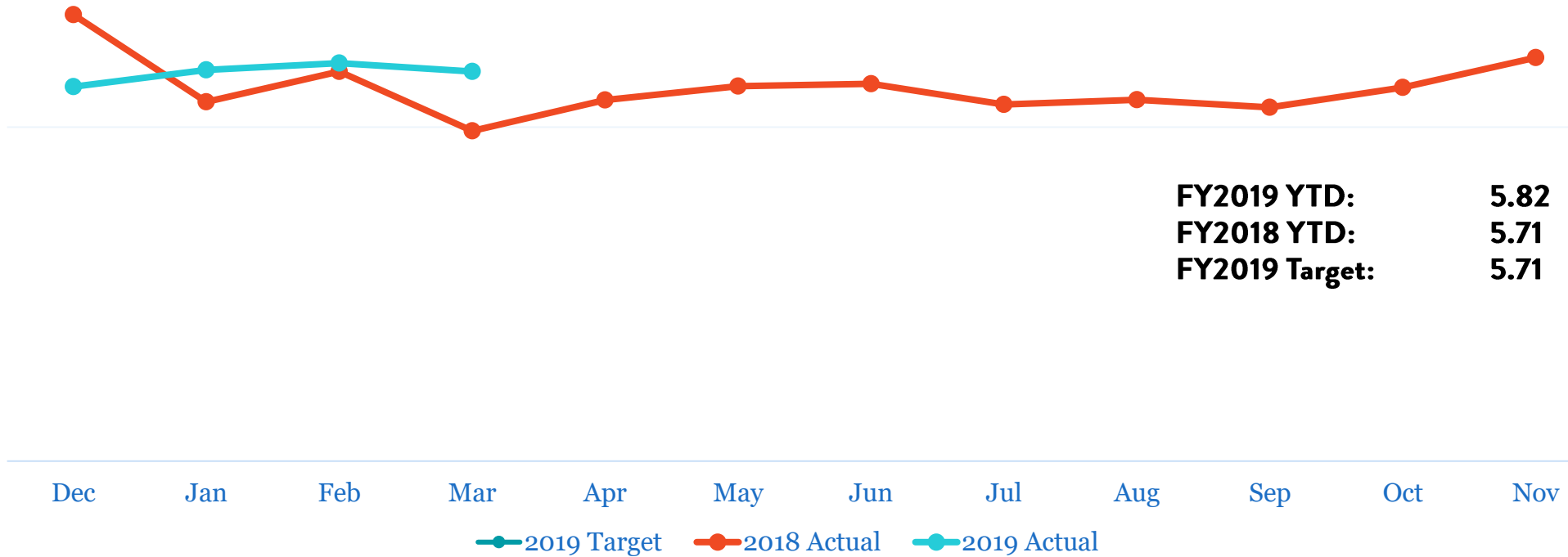


Total Inpatient Discharges

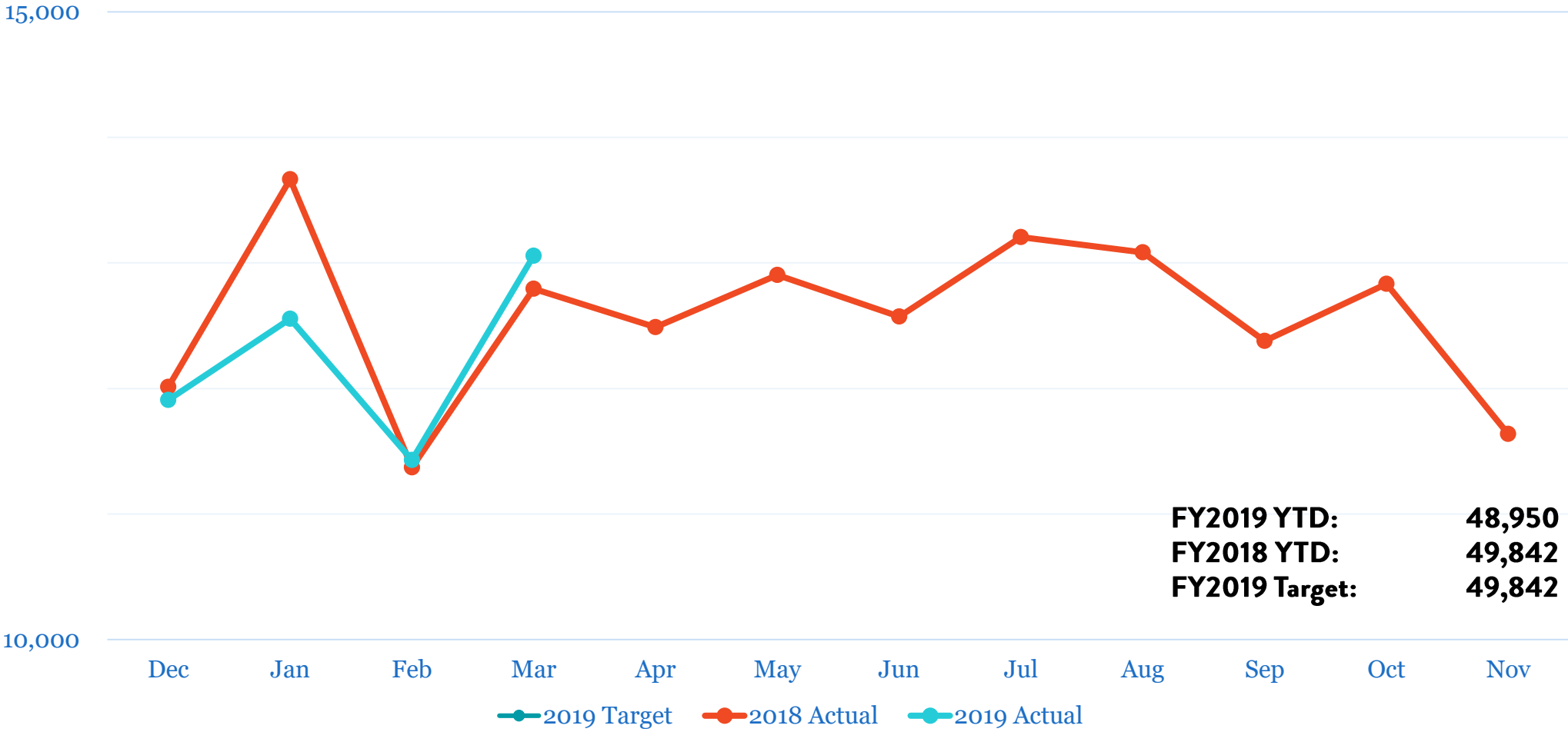


Average Length of Stay

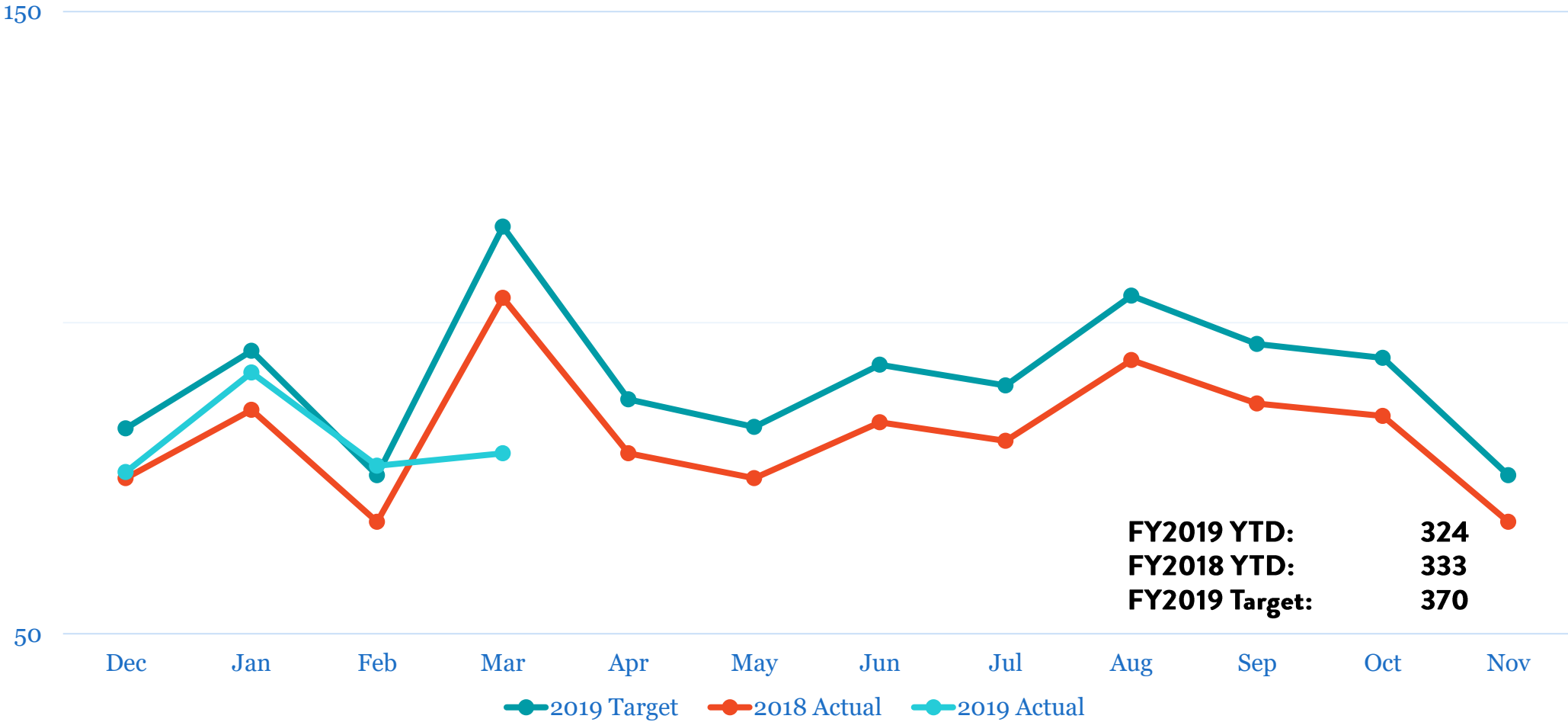
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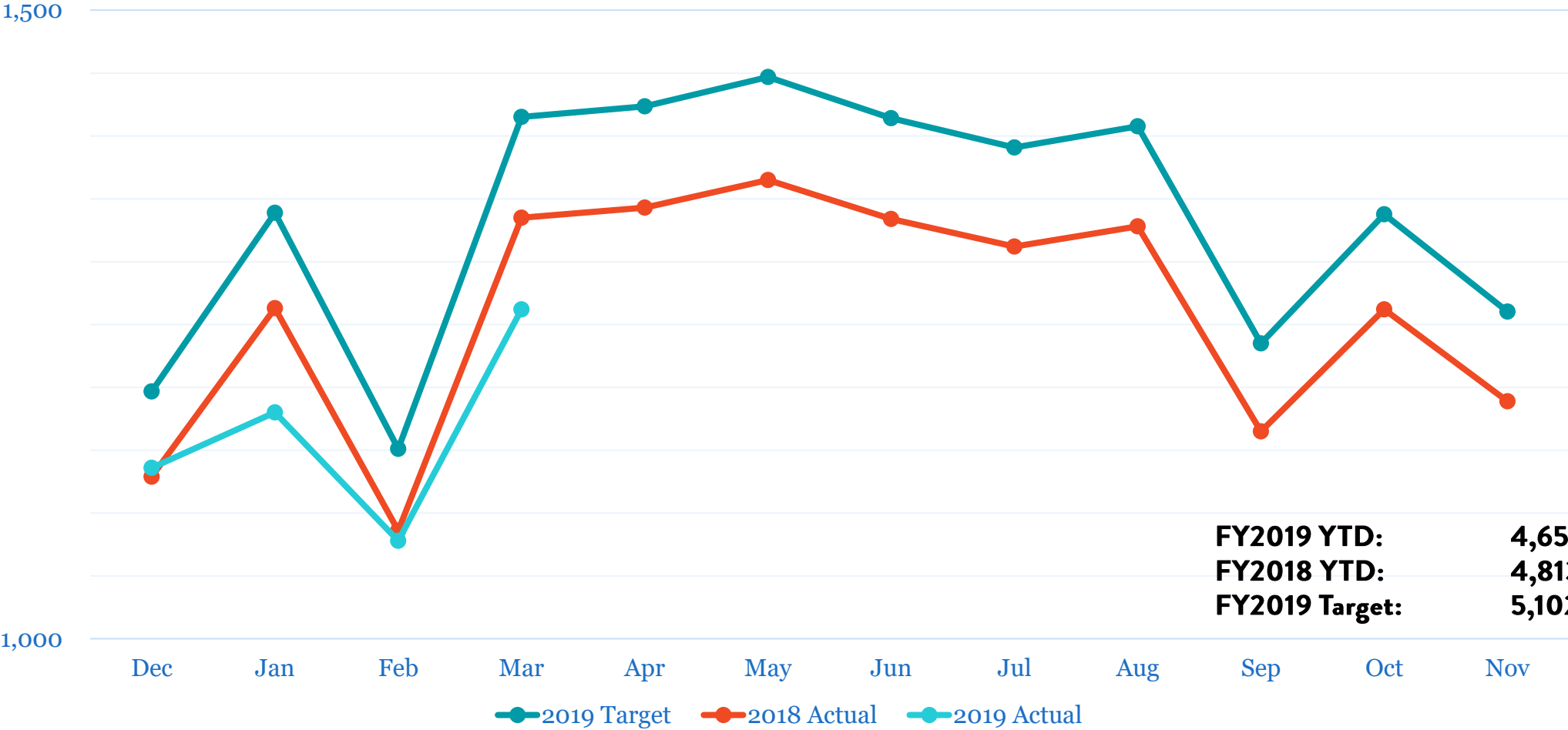
Total Emergency Room Visits



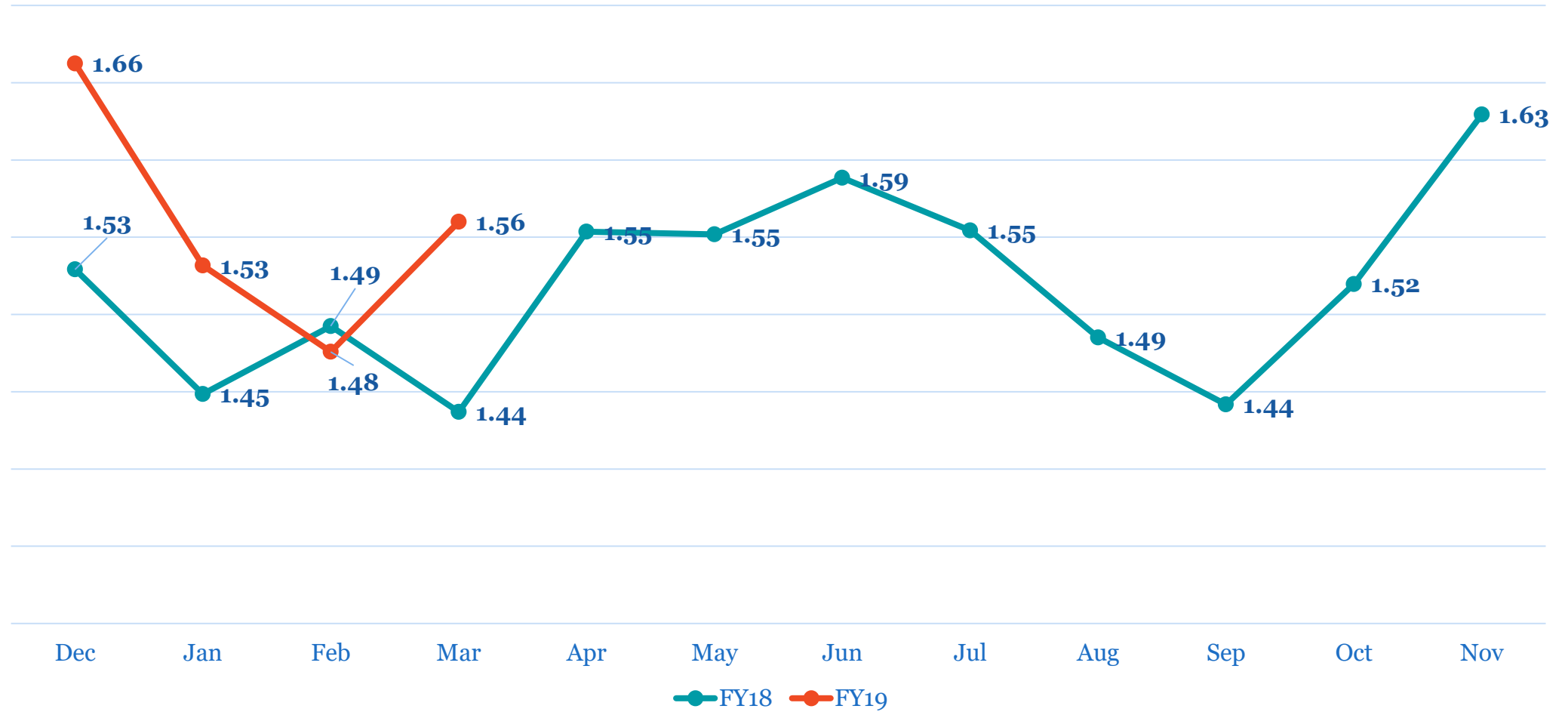
Total Deliveries



Total Surgical Cases



Case Mix Index



Questions?



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